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January 21, 2000

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VIA HAND DELIVERY

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Ms. Sheryl Todd
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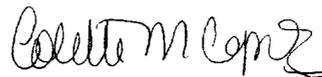
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FEDERAL COMMUNICATIONS COMMISSION
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**Re: Reply Comments of the Satellite Industry Association
In the Matter of Federal-State Joint Board on Universal Service;
Promoting Deployment and Subscribership in Unserved and
Underserved Areas, Including Tribal and Insular Areas
CC Docket No. 96-45**

Dear Ms. Todd:

On January 19, 2000, Reply Comments of the Satellite Industry Association were filed with the Commission by paper in the above-referenced docket. Submitted herewith, on diskette in WordPerfect 5.1 "read-only" mode, is a copy of the submission. Also enclosed is a paper copy of the filing.

Very truly yours,



Colette M. Capretz

CMC

Enclosures

cc: International Transcription Service, Inc. (w/encl.)

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

In the Matter of)
)
Federal-State Joint Board on) CC Docket No. 96-45
Universal Service:)
Promoting Deployment and)
Subscribership in Unserved)
and Underserved Areas, Including)
Tribal and Insular Areas)

To: The Commission

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**REPLY COMMENTS OF
THE SATELLITE INDUSTRY ASSOCIATION**

The Satellite Industry Association (“SIA”)¹ hereby respectfully submits its Reply Comments in the above-captioned rulemaking proceeding.

SIA supports the Commission’s efforts to reconsider the structure of its Universal Service Fund (“USF”) support mechanism in order to facilitate the provision of telecommunications services to tribal lands and other underserved areas. SIA also supports the comments of Motorola and Iridium North America, AirTouch Communications and Globalstar USA, Inc., and AMSC Subsidiary Corporation urging the Commission to shape its rules in a technologically

¹SIA is a national trade association representing the leading U.S. satellite manufacturers, service providers, and launch service companies. SIA serves as an advocate for the U.S. commercial satellite industry on regulatory and policy issues common to its members. With member companies providing a broad range of manufactured products and services, SIA represents the unified voice of the U.S. commercial satellite industry. SIA’s members include: American Mobile Satellite Corporation; Boeing Commercial Space Company; COMSAT Corporation; Ellipso Inc.; GE American Communications, Inc.; Globalstar L.P.; Hughes Communications Inc.; Iridium LLC; Lockheed Martin Corp.; Loral Space & Communications Ltd.; Motorola Inc.; Orbital Sciences Corporation; PanAmSat Corporation; Teledesic Corporation; TRW Inc.; and Williams Vyxx Services.

neutral fashion so that all carriers -- wireline, terrestrial wireless, and satellite -- can equally take advantage of the USF to bring telecommunications services to the residents of these areas. This includes, among other measures, the subsidization of not only the services but also the equipment necessary to bring satellite services to tribal lands and underserved areas. Such treatment will result in the implementation of the best and most cost-effective solutions for the prompt deployment of telecommunications services to these areas.

As the Commission has recognized, satellite services are an excellent technology for the delivery of telecommunications services to tribal lands and other underserved areas throughout the United States. Because of the ubiquitous coverage of satellite systems, satellite service providers can easily, in some cases immediately, deploy telecommunications services to these largely remote and sparsely populated areas without the need for build out of costly infrastructure, which has proven to be an impediment to the provision of service to these areas by traditional wireline carriers. For this reason, satellite service providers present a cost-effective means of bringing service to geographic areas that are difficult, if not impossible, to serve economically using other technologies.

The current USF support program was based upon traditional wireline services and the functionalities they provide. The unique capabilities of satellite carriers which make them particularly well-suited to serve tribal and other underserved areas, however, also result in cost structures and functionalities which vary from those of traditional wireline carriers. These distinctions are not contemplated in the current USF framework.

As a result, it is not clear that some satellite service providers would meet all of the eligibility requirements necessary for participation in existing high-cost support mechanisms, such as local usage, toll limitation, and E911 requirements, many of which do not meaningfully translate to satellite services and technologies. It is also unclear how formulas for calculating support in the existing rural health care provider scheme would apply in the context of satellite services. Accordingly, the Commission should structure and apply USF support formulas in a way that makes sense for satellite service providers in light of their particular technologies and the way their services and billing systems are structured.

The Commission's USF rules should be structured to serve as a true incentive for all carriers, not just wireline and terrestrial wireless, to serve our nation's unserved and underserved areas. Restructuring the USF rules is especially important for nontraditional carriers, such as satellite service providers, who are best able to serve these areas more expeditiously and at a lower overall cost than could more traditional carriers. To have this effect, the USF mechanism should allow for the subsidization of not only the consumers' use of service, but also the distribution of handsets or other terminal units as well as the construction and installation of satellite phone booths and other earth station facilities, the costs of which could be prohibitive to the residents of the areas of concern in this proceeding. The denial of such subsidies could preclude these residents from receiving the only means of telecommunications services which otherwise would be readily available to them.

For the reasons set forth herein, SIA supports the comments which urge the Commission to shape its USF rules in a technologically neutral fashion, which would as a result facilitate the

provision of service by those carriers which are best situated to promptly and most cost-effectively provide telecommunications service to these underserved areas. Doing so would go a long way toward achieving the Commission's laudable goal of increasing deployment and subscribership of telecommunications services in tribal lands and other underserved areas.

Respectfully submitted,

THE SATELLITE INDUSTRY ASSOCIATION

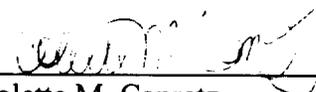
BY: Michael Fitch ^{CMW}
Michael Fitch, Chair
Clayton Mowry, Executive Director

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January 19, 2000

CERTIFICATE OF SERVICE

I, Colette M. Capretz, certify that a copy of the foregoing "Reply Comments of the Satellite Industry Association," in CC Docket No. 96-45 was served on this 19th day of January, 2000 by first class U.S. mail, postage prepaid to the persons identified below.

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